

Central Intelligence Agency



Washington, D. C. 20505

DATE 12/23/86 *FILE*
DOC NO EAM 86-20182
OIR -3
P & PD 1

DIRECTORATE OF INTELLIGENCE

22 December 1986

China-US: Tungsten Products Trade--An Update

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Summary

Chinese exports of tungsten products to the United States continue to grow, albeit slowly, despite promises to tighten control. In response to US complaints, Beijing may point to the drop in exports by the China National Metals and Minerals Import and Export Corporation, but we believe that China is aware of--and has condoned--increased shipments by seven other firms.

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This memorandum was prepared by Office of East Asian Analysis. Information available as of 22 December 1986 was used in its preparation. Comments and queries are welcome and may be directed to the Chief, Economic Assessments Branch, China Division, OEA, .

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Tungsten Product Exports and Exporters Increase

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[] Chinese exports of tungsten products--particularly ammonium paratungstate (APT) and tungstic acid--continue to grow.¹ Exports of APT through November were nearly 2 percent above the level for full-year 1985, and tungstic acid shipments were up about 8.5 percent (see table 1). At the same time, shipments of iron ammonium paratungstate, down in 1985, were curtailed altogether. []

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The composition of the shippers has changed significantly in the last six months. The China National Chemicals Import-Export Corporation retains clear control over shipments of tungstic acid--100 percent of shipments through November 1986, compared with 60 percent in 1985 (see table 2)--but several organizations have entered or reentered the APT market (see table 3). The China National Metals and Minerals Import and Export Corporation (MINMETALS) shipped nearly 80 percent of China's APT exports to the United States in the first half of 1986. Between July and November that share dropped to about half. Seven firms with no shipments in the first half of 1986 have entered the market since June. Of these, six exported APT to the United States in 1985; only one did not. []

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We believe Beijing is aware of and has at least indirectly condoned the shipments by the seven firms. Most are centrally administered corporations, and the China Resources Transportation and Godown Company, accountable for 22 percent of shipments since June, is a shipping agent for MINMETALS, so at least part of its exports were probably under MINMETALS control. Moreover, all APT exports require a license issued by MINMETALS. As a result, we believe that it is well within Beijing's power to control their activity. []

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Table 1		Metric Tons	
Chinese Shipments of Selected Tungsten Compounds to the United States, 1984-86			
	1984 Full Year	1985 Full Year	1986 Jan-Nov
Ammonium Paratungstate	386.22	1,041.81	1,061.24
Iron Ammonium Paratungstate	82.20	32.70	0
Tungstic Acid	95.58	125.19	135.84
Source: Port Import-Export Retrieval System (PIERS), Journal of Commerce.			

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		Percent (%) of Tonnage	
Table 2 Chinese Shippers: Share of Tungstic Acid Exports to the United States, 1985-86			
	1985 JAN - DEC	1986 JAN - NOV	
China National Chemicals Import and Export Corporation	60.3	100.0	
Unknown Shipper*	39.7	0	

SOURCE: Port Import-Export Retrieval System (PIERS), Journal of Commerce.

* Category contains shippers who have requested confidentiality from US Customs.

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Table 3
Chinese Shippers: Share of Ammonium Paratungstate Exports to the United States, 1985-86

	1985	1986		
	JAN - DEC	JAN - JUN	JUL - NOV	JAN - NOV
Unknown Shipper**	20.6	13.5	0	7.9
China National Metals and Minerals Import and Export Corporation (MINMETALS)	20.5	79.5	49.4	67.1
China Resources Transportation and Godown Company, Ltd., Hong Kong	18.5	0	21.9	9.0
Fujian Metallurgical	10.3	0	0	0
China Travel Service	5.8	0	4.3	1.8
Dong Fang Trading	5.3	0	0	0
China National Nonferrous Metals Industry Corp.	4.8	0	4.0	1.7
TBI	4.7	0	0	0
China National Metallurgical Products Import and Export Corporation	3.7	0	4.0	1.7
Pearl River Container	1.8	0	0	0
China National Light Industrial Products Import and Export Corporation	1.6	0	0	0
China International Trust and Investment Corp.	1.6	0	7.7	3.2
South China Consolidation	1.0	0	0	0
China Merchants	1.0	0	4.3	1.8
Freight Transport International	0	7.0	0	4.1
China National Machinery and Equipment	0	0	4.3	1.8

SOURCE: Port Import Export Retrieval System (PIERS), Journal of Commerce.

* Percentages will not total because of conversion and rounding.

** Category consists of shippers who have requested confidentiality from US Customs.

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